

Product Planning

Chapter 30.1 / 30.2

*Product Planning, Mix
and Development*

Product Planning

- Decisions about features that are needed to sell a business's products, services or ideas

✓ Packaging

✓ Labeling

✓ Branding

✓ Services

✓ Warranties



Product Mix

- All the different products that a company makes or sells.



KRAFT Company:

-Kraft
-Maxwell House
-Oscar Mayer
-Post Cereal products



Product Line

- Group of Closely related products manufactured and / or sold by a business
 - Cereals ---- Kelloggs

Product Mix

- The width and depth of a company's product offerings.
 - Width: number of different product lines
 - Depth: number of product items within a product line.

Gillette Product Mix

PRODUCT LINES PRODUCT LINES

**Blades
And Razors**

Toiletries

**Writing
Instruments**

Lighters

I
T
E
M
S

MACH 3
Sensor
Trac II
Atra
Swivel
Double-Edge
Lady Gillette
Super Speed
Twin Injector
Techmatic

Series
Adorn
Toni
Right Guard
Silkience
Soft and Dri
Foamy
Dry Look
Dry Idea
Brush Plus

Paper Mate
Flair

Cricket
S.T. Dupont

developing products

- Adds to overall sales, market share and increased sales



Steps to Product Development

- Generating Ideas ...Cultural Trends, Behavior
- Screening Ideas ..Companies match idea against Co. objectives
- Developing Business proposal ...Potential sales, costs
- Developing the product ...prototype ... final product
- Testing the product ...Test Marketing
- Introducing product (Commercialization)
 - If response if favorable, product introduced into the marketplace
- Evaluating customer acceptance ...Tracking customer acceptance

Product Modifications....

Easy and inexpensive way to add new products to a company's product line.



- Packaging
- Varieties
- Formulations
- Colors
- Features
- Sizes

How did BAND-AID modify traditional band-aids to create a new “modified” product?

Product Life Cycle

**Maturity
Stage**

\$\$ spent on fighting off competitors

**Growth
Stage** —New !!!

Offer more than competition

**Decline
Stage**

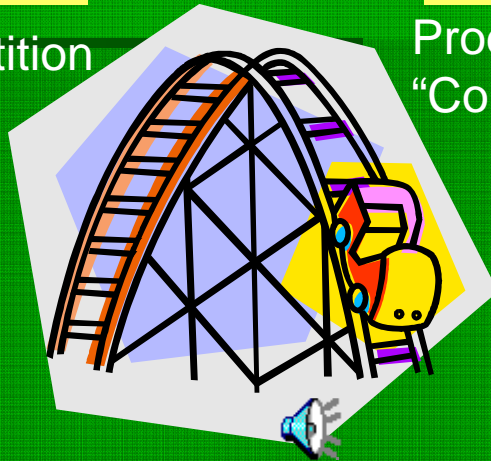
Product mix strategies –
“Compare & Save”

**Introduction
Stage**

Least profitable

OBSOLETE

Drop product



Product Positioning

Image a product projects

GOAL: Set the product apart from the competition..."relative to competi"



A company may offer an economy line, a mid-priced line and a luxury line

Positioning by Price and Quality



Features and Benefits...

Young women

Convenience

Portable

Eliminate damp
washcloths



Companies often stress features and benefits plus unique characteristics of a product to position it in the marketplace

Competition...

Some businesses position their products to compete directly with the products of other companies



Planogram:

A diagram showing how and where a product should be placed in a store.



CREDITS....

- www.mcdonalds.com
- www.pg.com
- www.fordmotor.com
- www.wendys.com
- www.jif.com
- www.kraftfoods.com

